

**Jurisdiction 10 Part A/Part B Medicare Administrative Contractor for  
Alabama, Georgia and Tennessee  
(J10 A/B MAC) Award**

**-- CAHABA GOVERNMENT BENEFIT ADMINISTRATORS, LLC --**

**Qs and As**

January 2009

**Q: What company has been awarded the contract for the J10 A/B MAC workload?**

A: Cahaba Government Benefit Administrators, LLC (Cahaba GBA) has been awarded the contract for the J10 A/B MAC.

**Q: What states are included in A/B MAC J10?**

A: J10 is comprised of Alabama, Georgia and Tennessee.

**Q: What are the major contractual differences of the A/B MACs compared to the current fiscal intermediaries (FIs) and carriers?**

A: The claims administration workload for each A/B MAC is being awarded through full and open competition conducted in accordance with the Federal Acquisition Regulation. Based on structured evaluation criteria, the proposal with the best value for the government will be selected in each procurement. The A/B MAC contracts are for the administration of both Medicare Part A and Part B claims in a specific geographic jurisdiction. They allow for performance incentives to be earned by the MAC.

Under the requirements of the original Medicare legislation, the FI and carrier contracts historically have been competed to a limited number of contractors which may or may not have been the best qualified organizations to do the work. In addition, the carriers have had to be chosen from health insurance companies. The contracts for the FIs and carriers do not allow for performance incentives; rather they pay the contractor the costs incurred in conducting their operations.

**Q: What is the effect of Medicare Contracting Reform on beneficiaries and providers?**

A: Beneficiaries will have a single point-of-contact, connecting them to a seamless operations network for meeting their information needs. A beneficiary's first point of entry for resolution of questions about Medicare coverage will be 1-800-MEDICARE. The A/B MAC will handle only complex inquiries from beneficiaries.

The A/B MAC will serve as the point of contact for providers, physicians and practitioners for all claims-related business. Medicare contracting reform also will benefit providers with improved provider education and training by the A/B MACs.

**Q: What type of contract has been awarded for the J10 A/B MAC workload?**

A: The J10 A/B MAC was awarded under a cost-plus-award-fee contract. The period of performance for the contract is a base period with four 1-year options. The total value of the contract for the five year period is approximately \$335 million.

**Q: Where is the J10 A/B MAC contractor's headquarters? Where will the work actually be performed?**

A: Cahaba GBA's operations are headquartered in Birmingham, AL.

**Q: When will the new J10 A/B MAC begin operations?**

A: The implementation activities of the A/B MAC that are needed to move the Part A/Part B workload for Alabama, Georgia and Tennessee will begin immediately. The MAC will complete the transfer of the claims and information from FIs and carriers and be fully operational over the next several months.

**Q: What FIs and carriers are currently processing claims in J10?**

A: The following are the current FIs and carriers administering the program in J10 and the states that they serve:

- Blue Cross and Blue Shield of Georgia, Inc. (FI for Georgia)
- Cahaba GBA (FI and carrier for Alabama; carrier for Georgia)
- CIGNA Government Services (carrier for Tennessee)
- Riverbend Government Benefits Administrator (FI for Tennessee)
- Wisconsin Physicians Service Insurance Corporation (FI for some providers in Alabama, Georgia and Tennessee)

**Q: How will staffing be affected as work moves from the current FIs and carriers to the J10 A/B MAC?**

A: With the award and implementation of the new contract, the MAC for J10 will be performing the claims administration work that had been distributed among five contractors. Fewer staff will be required to perform the full scope of activities because of the consolidation of the contracts.

For more specific questions regarding staffing please contact the Contracting Officer, Darrell Bachman, [darrell.bachman@cms.hhs.gov](mailto:darrell.bachman@cms.hhs.gov) or 410-786-7442.

**Q: How many beneficiaries and providers are there in J10? What percent of the national claims workload is accounted for in this Jurisdiction?**

A: As of July 2007, approximately 2,864,390 Medicare Fee-for-Service beneficiaries are located in this jurisdiction. As of December 2007, approximately 458 Medicare hospitals are located in the three states comprising this jurisdiction. Also, as of July 2007, approximately 73,824 physicians and practitioners provided services in this jurisdiction.

With respect to the workload, approximately 7.2% of national Medicare fee-for-service claims are in this jurisdiction as of September 2007.

**Q: Did the winning contractor have any subcontracts? If so, what services will the subcontractor provide?**

A: As the J10 A/B MAC, Cahaba GBA is subcontracting with the following companies:

- Allison Payment Systems, LLC will provide printing and mail services;
- Emdeon Business Services will provide intelligent character recognition and data entry services;
- Mayer Hoffman McCann will provide SAS 70 and annual compliance audits; and
- Dr. James E. Strong will assist the Contractor Medical Director.